BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

1986 Annual Report

88-01768/

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The Honourable
Robert G. Rogers
Lieutenant-Governor of the
Province of British Columbia

May it please Your Honour:

I have the honour to present the Annual Report of the British Columbia Housing Management Commission for the year ended December 31, 1986.

Claude Richmond
Minister of Social Services and Housing

The Honourable
Claude Richmond
Minister of Social Services and Housing
Province of British Columbia

Sir:

I have the honour to submit, for your approval, the Annual Report of the British Columbia Housing Management Commission covering the period January 1, 1986 to December 31, 1986.

Mary H. Kerr

Mary H. Kerr
Chairman

GENERAL MANAGER'S REPORT

The major achievement of 1986 was the negotiation and signing of the Federal Provincial Global and Operating Agreements for Social Housing. This initiative will result in the construction of 5,856 units of social housing over a three year period. The units are strictly targeted for those with low incomes.

Projects will be built by the private sector and their management and operation will be the responsibility of the sponsoring non-profit organization. This increase in the availability of suitable housing stock for low income seniors, families and disabled persons will contribute significantly to the provision of shelter for those who cannot afford suitable market accommodation.

The private sector builders and developers, and the non-profit societies are to be congratulated for the professional manner in which they have responded to our Proposal Calls. We look forward to continuing this relationship in the provision of cost effective social housing projects.

J. C. Leman

J.C. Leman
General Manager

PURPOSE AND ACCOUNTABILITY

The British Columbia Housing Management Commission ("The Commission") was established as an agency of the Province of British Columbia in 1967 to manage provincial and federal-provincial housing and property. In all its programs and activities, it is accountable to the Honourable Claude Richmond, Minister of Social Services and Housing.

The purposes of the Commission are outlined by Order-in-Council No. 2388, dated September 7, 1978, and are as follows:

A. To execute provincial housing policies as directed by the Ministry charged with the administration of the Housing Act ("Social Services and Housing").

B. To manage provincial and federal-provincial housing and property on behalf of the Ministry.

C. To administer rent supplement programs of the Ministry in:

- housing managed by the Commission;
- housing operated by non-profit societies and;
- housing owned and operated in the private sector.

D. To monitor the performance and value of programs under its jurisdiction.

E. To develop social housing policy and also to recommend to the Ministry policy or program changes related to matters under the Commission's jurisdiction.

F. To provide the Ministry with housing program services as required.

In 1985, the mandate of the Commission was expanded to incorporate the development, delivery, and administration of all provincially led subsidized social housing and the development of social housing policy.

The Commission is overseen by a Board of Commissioners who are appointed by the Lieutenant-Governor in Council upon the recommendation of the Minister. The Chairman is appointed by the Minister from among the Board members. The Chairman and the Board are accountable to the Minister. The Board ensures that the organization fulfills its purposes and does not exceed the powers and duties outlined in its Order-in-Council. The Board hires the General Manager who, as the Chief Executive Officer, manages the affairs of the Commission.

Tenant builds a greenhouse for community garden.

Five branches have been established within the organization to carry out the day to day operations. Together with the General Manager, the Directors of these branches make up a Management Committee which establishes operating policies and provides leadership and direction to the organization.

The Social Housing Branch is responsible for the planning of social housing activity and the development of program policies and procedures. The branch also administers rent supplement programs and centralized rent calculation services. Operational responsibilities include tenant allocation and social housing delivery in the lower mainland.

Chairman Mary Kerr at Garden Forum '86

The Housing Operations Branch implements the Commission's social housing programs and related support services. This branch also ensures the effective management and maintenance of the Commission's housing and property portfolio. Following a decentralized management model, there are six regional offices in the Province.

The Technical Services Branch provides engineering and technical expertise for the Commission. This includes implementing a comprehensive long term capital maintenance plan for the Commission's portfolio. The branch also develops standards, policies and guidelines for technical and engineering services, equipment, and materials required for the maintenance and security of Commission properties.

The Financial and Administrative Services Branch provides accounting, budgeting, financial planning, computer and administrative services to the Commission, and financial reporting to the Provincial and Federal governments.

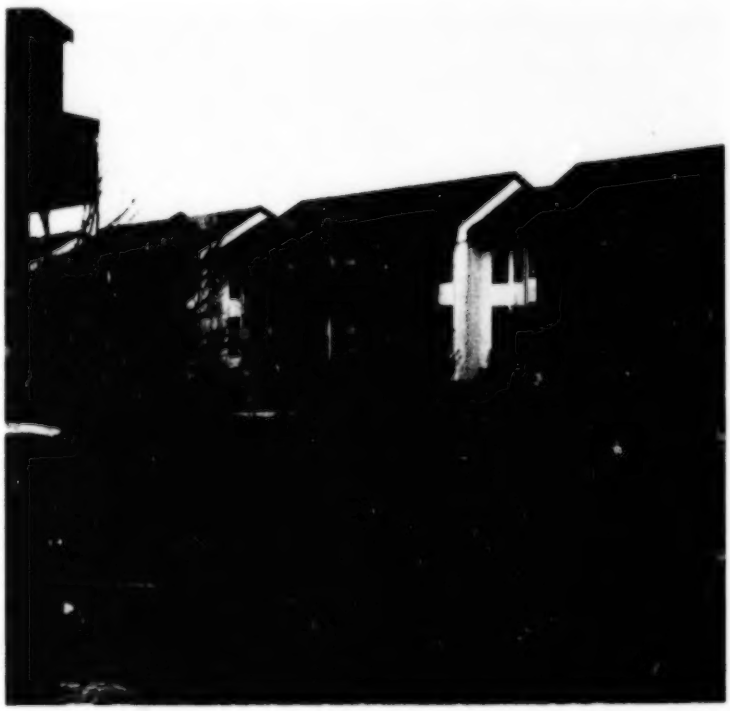
The Personnel and Labour Relations Branch provides labour relations, recruitment, selection, compensation, training and development services to the organization.

At December 31, 1986, the Commission had 238 employees. Of these, 101 were under collective agreement with the Service Employees' International Union ("SEIU"), 85 were under agreement with the British Columbia Government Employees' Union ("BCGEU"), and 16 were under agreement with the Hotel, Restaurant and Culinary Employees and Bartenders Union ("HRCEBU"), while 36 were excluded from union contracts.

OPERATING POLICY

The general policy framework within which the Board of Commissioners and staff carry out the purposes of the Commission and conduct Commission business are summarized as follows:

- To determine housing needs in the Province.
- To ensure that the funds available for social housing are targeted to those most in need and managed conscientiously and economically.
- To allocate housing to low and moderate income families on the basis of need, aiming to achieve a social and economic integration of residents.
- To allocate housing to modest income senior citizens and disabled persons on the basis of need.
- To provide a living environment for tenants that is safe, secure, and provides quiet enjoyment.
- To pursue maintenance standards that produce modern, safe, sound, and aesthetic properties.
- To ensure that new social housing developments are consistent with neighbourhood design, meet quality standards, and are built to minimize long term operating costs.
- To ensure accountability by staff and tenants to the terms of the Tenancy Agreement and the Residential Tenancy Act.
- To assert positive, fair, and consistent relations with tenants and the larger community.
- To foster the idea and practice of local tenant associations and resident groups.
- To inspire professionalism, innovation, and accountability in staff performance.
- To encourage skilled management in the non-profit housing sector.
- To be a cooperative resource in relations with the Ministry of Social Services and Housing and other agencies with which the Commission is associated.



At December 31, 1986

	Housing Units		Developments/ Societies	
	1986	1985	**1986**	1985
Property Management Portfolio:				
Section 40 NHA				
Regular	**5,477**	5,477	**50**	50
City of Vancouver	**290**	292	**3**	3
Penticton & District Retirement Centre	**126**	126	**1**	1
Section 44 NHA	**1,952**	1,961	**45**	44
Wholly Provincial				
Projects	**147**	159	**13**	13
Land Parcels	**–**	–	**–**	12
The Glenshiel	**74**	74	**1**	1
TOTAL	**8,066**	8,089	**113**	124
Non-Profit and Private Sector Rental Assistance Programs:				
Section 44(1)(a)NHA				
Private	**535**	611	**78**	91
Disabled	**319**	318	**75**	72
City of Vancouver Residences	**164**	168	**2**	2
Section 44(1)(b)NHA				
Senior Citizens	**2,762**	3,349	**112**	110
High Impact Grants	**17**	340	**1**	5
Section 56.1 NHA				
Social Housing Program (1986)*	**1,843**	–	**74**	–
Provincial Rental Assistance Program				
Seniors	**730**	283	**33**	12
Disabled	**286**	211	**65**	48
TOTAL	**6,656**	5,280	**440**	340

Other Provincial Programs:
Rural and Remote Mortgage Program
GVRD and Co-op Mortgage Programs
Ray Cam Co-operative Centre

**Units committed*

Property Management Portfolio

In 1986, the Property Management Portfolio included 8,066 units in 113 developments throughout the Province. With the exception of 290 units managed by the City of Vancouver, all were managed by the Commission. Within this portfolio the Commission provides sound, secure and affordable housing for senior citizens, disabled persons and families.

Under this program, tenants are charged market rent, but may apply for financial assistance to reduce their rent to 30% of their gross household income. Rents are subsidized by the federal and provincial governments. All tenants have their household income reviewed annually by the Commission. During 1986 total tenant rents paid to the Commission plus financial contributions by the two levels of government provided the revenue necessary to offset the cost of managing, operating and amortizing this housing portfolio.

There are six regional offices located throughout the Province. The Managers within these offices are responsible for all employees, agents and Commission activities within their geographic area.

The selection of tenants is based on housing need determined by a point system. Applicants are allotted points for such factors as inadequacies of present accommodation; percentage of income being paid for the accommodation; and years of residency in the area. Applicants and tenants who feel aggrieved by staff decisions may appeal them to the Chairman.

In Greater Vancouver the tenant selection function is centralized at the Home Office. Regional offices in other areas of the Province are responsible for this function.

Rent Supplement Programs

The majority of housing units with which the Commission is involved are funded under Rent Supplement Programs.

The Commission administers these Federal-Provincial programs aimed at maintaining housing provided by non-profit societies and in designated units in the private sector.

Four distinct programs provide assistance to the tenants of eligible non-profit societies. Tenants are assured that they will pay no more than 30% of their income towards rent.

In most programs the Commission is involved directly with the non-profit society, not with the tenants.The society is responsible for the preparation and submission to the Commission of all documents relating to individual tenant income and changes in tenancy. All tenants have their incomes reviewed annually by the non-profit society and the Commission.

Senior Citizens

1. Section 44(1)(b)–National Housing Act

For the year ending December 31, 1986 payments totalling $2,621,686 were made to non-profit societies managing 112 buildings. These rent supplement payments are shared equally by the Provincial and Federal governments.

2. Provincial Rental Assistance Program–Senior Citizens

This program provides rent supplement payments to assist residents in units constructed under the Provincial Senior Citizens Rental Housing Construction program that receives Section 56.1 N.H.A. assistance. At year end, 730 units in 33 buildings had received assistance at a cost to the Province of $530,031.

Disabled

3. Section 44(1)(a)–National Housing Act

For the year ending December 31, 1986 payments totalling $1,558,907 were paid to non-profit societies managing 319 units in 75 buildings. Costs are shared equally by the Provincial and Federal governments.

4. Provincial Rental Assistance Program–Disabled

This program provides rent supplement payments to assist residents in units constructed under the Provincial Housing for Disabled Program that receive Section 56.1 N.H.A. assistance. At year end there were 286 units in 65 buildings at an assistance cost of $233,112.

High Impact Grant

This grant was designed to assist co-operatives or non-profit societies meet their operating expenses during the first seven to eight years of operation. Cost of this program in 1986 was $18,936.

Assisted Rental Program

The Commission provides rent supplement payments to 535 tenants living in 78 private developments built under this program. Tenants pay no more than 30% of their income for rent. These payments are shared by the Provincial and Federal Governments under Section 44(1)(a) National Housing Act. At December 31, 1986, tenants in these developments had received payments totalling $1,761,648.

Social Housing Programs (1986)

The 1986 Social Housing Agreement between the Federal and Provincial Governments established the following new programs:

1. Non-Profit Housing Program

This program assists non-profit organizations in the provision of modest housing for needy families, senior citizens, older singles and disabled persons. During 1986, 1,488 units were allocated for the program.

Capital financing for projects must be arranged with a private lending institution for an NHA insured first mortgage of up to 100% of the approved project costs.

Upon completion of construction, the two levels of government will provide an operating subsidy to make up the difference between the rent paid by the tenants and the actual operating cost of the project. Rents are limited to 30% of the tenant household income.

2. Rent Supplement Program

This program provides funding to assist needy families, senior citizens, older singles and disabled persons with their housing costs. Units under this program may be leased in the private market, and administered by the Commission or Non-Profit Societies, or built under the new Federal Cooperative Housing Program (30% of the units created under this program will receive supplements).

Tenants assisted under this program pay 30% of their income for rent. On behalf of the Federal and Provincial Governments, the Commission will provide financial assistance to cover the difference between the market rent for the unit and the rent paid by the tenant. During 1986, 244 units were allocated under this rent supplement program.

3. Special Purpose Housing

This Program provides funding for the development of projects where 24 hour care is required for residents; examples include transition homes and intermediate care facilities. The Federal and Provincial governments provide a 2% mortgage write down on the residential portion of the building.

During 1986, 111 units were allocated for Special Purpose housing projects.

Greater Vancouver	Units
Individual Houses	78 *Family*
Abbotsford	
Cedarhurst	53 Family
Mackenzie Road	38 Family
Aldergrove	
Alderhaven	53 Senior
Burnaby	
Cedar Place	90 Family
Douglas Drummond Manor	125 Senior
Hall Towers	214 Senior
Hall Towers Extension	118 Senior
Inman & Lister	16 Family
Irmin & McPherson	6 Family
Laurelyn Place	71 Senior
Stratford Gardens	127 Senior
Matsqui	
Marshall Road	11 Family
Mission	
Windebank Village	32 Family
New Westminster	
Ross Tower	101 Senior
North Vancouver	
Grant McNeil Place	112 Family
Richmond	
Rosewood Towers	176 Senior
Rosewood Village	138 Family
Squamish	
Valleycliff	9 Family
Surrey	
Greenbrook	127 Family
North Surrey Lions	
Len Shepherd Manor	102 Senior
Ted Kuhn Tower	248 Senior
Ted Kuhn Tower Extension	189 Senior
Vancouver	
Bauer Villa--Garden Villa	44 Senior
Brant Villa	48 Family
Carolina Court	50 Family
Champlain Place	100 Family
Chimo Terrace	80 Family
Comox Street	59 Family
Culloden Court	44 Senior
	88 Family
Cypress Walk	32 Family
East 7th Avenue	18 Family
8th & Vine	7 Family
Grandview Terrace	100 Senior
	54 Family
Haida Court	14 Family
Killarney Gardens	188 Senior
Little Mountain	20 Senior
	204 Family
MacLean Park	121 Senior
	38 Family
MacLean Park Extension	161 Senior
	139 Family
Nicholson Tower	223 Senior
Orchard Park	36 Senior
	133 Family
Stamps Place	135 Senior
	241 Family
Redwood Mews	30 Family
Rupert Lane	42 Family
Seven Maples--Woodcroft	69 Senior
Skeena Terrace	69 Senior
	165 Family
Steeves Manor	200 Senior
Sunset Towers	501 Senior
West Vancouver	
Sunnyside Manor	61 Senior
Total	**5748 Units**
Senior	3496 Units
Family	2252 Units

Vancouver Island	Units
Individual Houses	*14 Family*
Campbell River	
Robron Village	48 Family
Simms Creek Gardens	30 Family
Ladysmith	
Rialto Manor	22 Senior
Nanaimo	
Howard Avenue	34 Family
Port Alberni	
Geo. Dowling Place	16 Family
Gertrude Street	10 Family
Harbour View Manor	11 Family
Red Oaks Manor	12 Family
Garden Apartments	16 Family
Saanich	
Battin-Fielding	60 Senior
	19 Family
Edge Place	20 Family
Lakehill Corners	18 Family
Scotia Green	20 Family
1149 Union Street	4 Family
Saanich Houses	15 Family
Victoria	
Blanshard Court	152 Family
	32 Senior
Bayview	12 Family
The Glenshiel	74 Senior
Hampton House	81 Senior
Juniper Gardens	12 Family
Cedar Townhouses	47 Family
Total	**779 Units**
Senior	269 Units
Family	510 Units

Southern B.C.	Units
Individual Houses	5 *Family*
Castlegar	
420--11th Avenue	14 Family
1449 Arrow Lakes Dr.	28 Family
Chase	
Shuswap Ilahee Lodge	30 Senior
Cranbrook	44 Family
Kamloops	
Brocklehurst	12 Family
Keremeos	
Mountain View Manor	26 Senior
Lillooet	
Red Rock Manor	21 Senior
Merritt	
Trade Winds Terrace	32 Senior
100 Mile House	
Pioneer Haven	16 Senior
Oliver	
Oliver Gardens	11 Family
Princeton	
Allin Street	15 Family
Revelstoke	
Monashee Court	50 Senior
Sparwood	
Sasko Manor	18 Senior
Winfield	
Cedar Court	30 Senior
Total	**352 Units**
Senior	223 Units
Family	129 Units

Northern B.C.	Units
Individual House	*1 Family*
Burns Lake	
McKenna Place	40 Family
Dawson Creek	50 Family
Fort St. John	12 Senior
	28 Family
MacKenzie	
Spruce Grove Apartments	30 Family
McBride	
Beaver View Lodge	20 Senior
Prince George	
Strathwood Apartments/ Townhouses	6 Senior
	44 Family
Pine View Apartments	12 Family
Vanier Apartments	30 Family
Westwood Court	34 Family
Prince Rupert	
Cedar Ridge	42 Family
Mariposa Gardens	84 Family
Harbour View Garden	166 Family
Moresby Townhouses	24 Family
Sunset Villa Apartments	37 Senior
Pineridge Terrace	37 Family
Terrace	
The Willows	40 Senior
Vanderhoof	
Riverglen	34 Family
Total	**771 Units**
Senior	115 Units
Family	656 Units
GRAND TOTAL	**7650 Units***
Senior	4103 Units
Family	3547 Units

*Does not include City of Vancouver managed Properties and Penticton & District Retirement Centre.

Capital Maintenance Program

In 1986, $9,000,000 of the Capital Maintenance Program was used for major building and grounds reconstruction. Approximately 700 units had new flooring installed, 400 units had kitchens rebuilt, 550 units had the bathrooms updated and 950 units had the roofs redecked.

A major plumbing, painting, carpeting and fire alarm retrofit was completed on 332 units in Hall Towers I and II totalling $850,000. Various other heating and domestic hot water systems were rebuilt at a cost of $1,300,000.

Rent Supplement

Successful workshops were conducted for non-profit societies in Prince George and Kelowna. These workshops are meant to enhance the property management skills of the societies that receive subsidies from the Commission.

Life Safety

During 1986, $480,000 was spent on updating fire protection systems. The first computerized fire protection system was installed. In addition, the number of buildings with direct monitoring devices to local fire departments was increased.

An important aspect of the life safety program is to prepare both staff and tenants for an emergency. To this end, staff conducted successful evacuation drills at Len Shepherd and Sunnyside Manor.

Improved security was realized by the installation of new entrance doors and intercom systems at various developments throughout the Province.

Children enjoy Garden Forum '86.

Fire drill at Sunnyside Manor.

Recreation Activity Program

The Commission continued to encourage tenant association activities and provided funding for recreation programs to over 40 family and senior citizen tenant groups throughout the Province.

Special celebrations honouring Vancouver's Centennial were evident at several developments. One such tenant initiated idea was a contest to rename Raymur Place. The new name, Stamps Place, has historical significance since Captain Edward Stamp was instrumental in the founding of Vancouver.

Staff Training and Development

Several in-house courses were offered to employees during 1986. Greater Vancouver Region Caretakers and Janitors attended a course on product knowledge, apartment security and job standards. This course will be brought to the outer regional offices in 1987.

Supervisors and Managers attended the first in a series of courses entitled "Effective Supervision." This in-house course, meant to enhance supervisory skills, included such topics as effective communication, employee motivation, and communicating standards and objectives.

Social Housing Development Managers attended an in-house technical course specifically designed to familiarize them with topics such as contract law and administration, project management, blue print reading and specifications writing.

Computer Services

Three major changes to the computer system were successfully completed in 1986. Firstly, a new rent calculation system was implemented to facilitate this newly centralized function. Secondly, major revisions were made to the Property Management system to improve reporting and assist with rent collection. The third change was a major modification to the financial report formats which improved their usefulness.

Administrative Services

Bulk purchase/standing orders were developed for janitorial and stationery supplies. Also, initial steps have been taken to tie in with Supplynet which is an information network on goods and services available for purchase by the public sector around the Province.

Financial Planning and Budgeting

A committee of representatives from all areas reviewed Commission systems requirements. As a result, microcomputers were introduced in the Personnel, Accounting and Central Records areas.

A survey was conducted to compare the Commission's rent collection with thirteen major housing authorities/corporations across Canada. The results were very positive and indicated that the Commission's rent collection practices are among the best in the country.

Tenant Newsletter

"News for You" began in the spring of 1986 as a method of informing tenants about major renovation projects planned for their developments. As many as 1,566 households in seven developments received two or three issues of the newsletter which kept them up to date on major work and improvements to their homes.

A special year-end issue was sent to all developments in the portfolio. The newsletter was well received by tenants.

Accounting Services

Improved reporting and more efficient processing was realized with the introduction of several microcomputer applications in accounting. These included year end working papers, subsidiary ledgers and a tie in with banking systems for cash flow purposes. Another important change was the computerization of the last of three union payrolls.

Internal Audit

Internal Audit continued to review the Commission's operations to evaluate the adequacy and effectiveness of internal control systems, and to determine whether established Policy and Procedures are economical, efficient, effective and uniformly applied throughout the Commission. Major projects during 1986 included operational audits of the Southern Region and the Administrative Services Department. As well, a follow-up operational audit was completed on the Greater Vancouver Central office. Follow-up audits will be conducted on a cyclical basis to help achieve Commission operational goals.

Housing Allocation

During 1986, Housing Allocation matched 1132 applicants with suitable accommodation in the lower mainland. In addition, this department participated in joint workshops province-wide with the Rent Calculation Department to ensure consistent tenant selection and rent calculation procedures.

Proposal Calls

In 1986, the Commission was given the responsibility of delivering the new Federal/Provincial Non-Profit and Rent Supplement Housing Programs. Activity under these programs is determined through a joint planning process with the Canada Mortgage and Housing Corporation. Based on the distribution of need and market considerations, housing units are allocated in various communities throughout B.C.

Commission staff issue a call for proposals in the communities which are targeted for social housing projects. Submissions are reviewed and evaluated on the basis of cost, long term operating efficiency, and how well they meet the locational and design requirements of the clients to be served. The projects which score the highest on these criteria are recommended for conditional approval to the Minister of Social Services and Housing, the Honourable Claude Richmond. Final approval is granted after sponsors fulfill outstanding requirements such as rezoning, development permit and approved working drawings.

The total construction cost of projects approved during 1986 was $57.3 million.

Long Service Awards

During 1986, the Commission introduced a Long Service Award Program for employees. Awards will be presented every five years during an employee's career.

The awards and the recognition that they represent have been received enthusiastically by employees.

Records and Information Centre

Implementation of the new Central File Plan was the major task in 1986. Specific activities included the establishment of filing equipment standards, training sessions, conversion of old files, establishment of new numbering system, organization of the library collection of over 2,000 books and implementation of computer software for cataloguing.

People, Plants and Homes

This program continues to grow in popularity as participants not only become more knowledgeable about gardening but also find that they enjoy an increased pride in their home.

The Garden Forum participants in Victoria were delighted with the appearance of the Honourable Claude Richmond, Minister of Social Services and Housing. Mr. Richmond and Mrs. Kerr, Chairman of the Commission, presented awards to many tenants for their gardening endeavours.

A community garden was added to the Westwood family development in Prince George, with flowers and vegetables thriving throughout the summer months. In North Vancouver, the Grant McNeil family development received a new children's garden, complete with cedar fence and raised beds.

Vancouver Island and Southern B. C. tenants also participated in the program with a community garden being established in Castlegar and the greenhouse groups in Victoria continuing to extend the growing season.

COMMISSION ORGANIZATION

BOARD OF COMMISSIONERS

Mary H. Kerr
Chairman

Duncan McDougall
Naramata

Betty Shandro
Richmond

Audrey Laboucane
Fort St. John

Douglas Mowat, MLA
Vancouver

Samuel Travers
Ministry of Social Services and Housing

SENIOR MANAGEMENT

J. C. (Ian) Leman
General Manager

Peter Robinson
Director, Housing Operations

Richard Staehli
Director, Technical Services

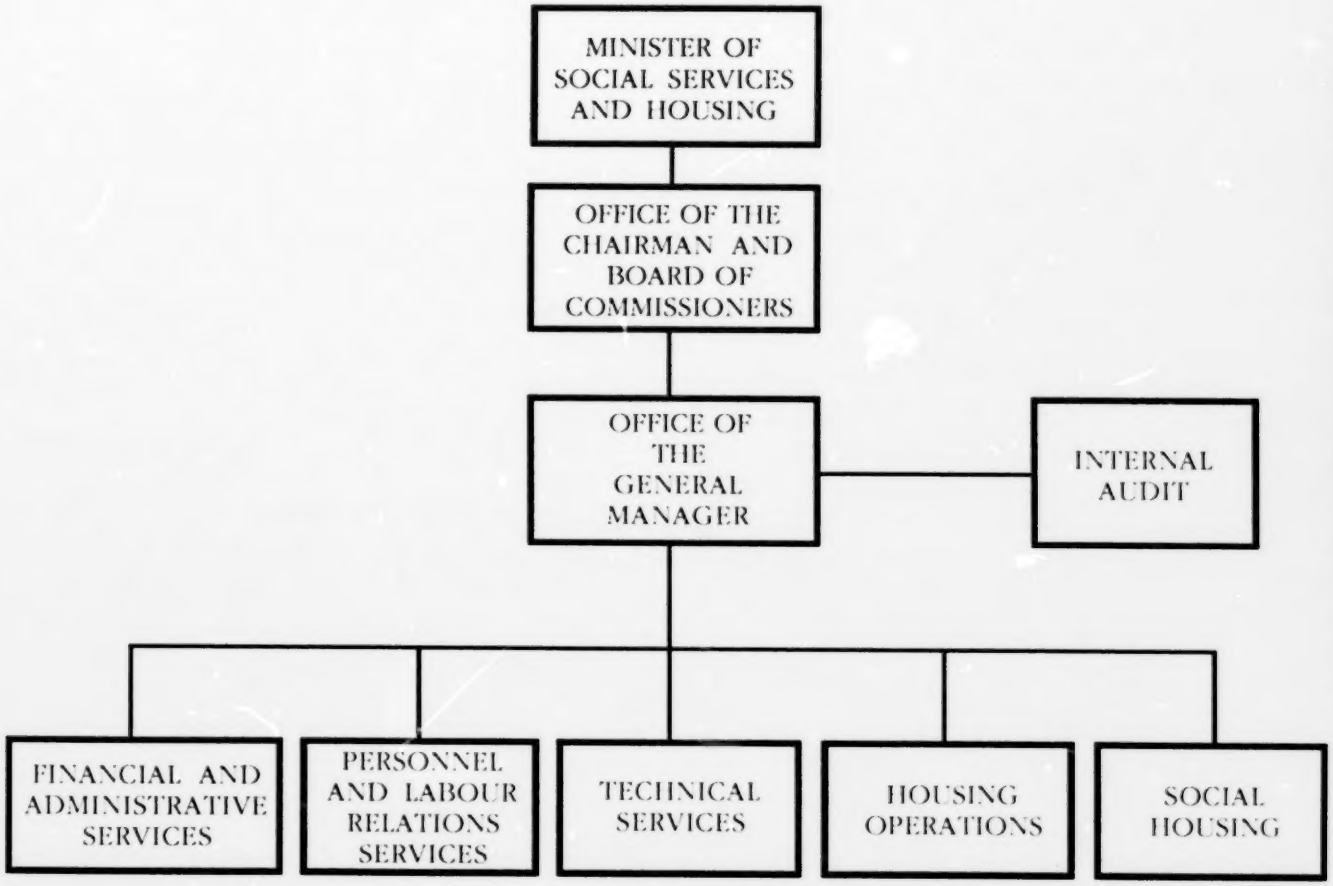
Enid J. Buchanan
Director, Social Housing

Caroline McDonald
Director, Personnel and Labour Relations

R.L. (Lin) Matthews
Director, Financial and Administrative Services

Architects' rendering of Triumph Family Housing project.

ORGANIZATION CHART (By Function)


MINISTER OF SOCIAL SERVICES AND HOUSING
OFFICE OF THE CHAIRMAN AND BOARD OF COMMISSIONERS
OFFICE OF THE GENERAL MANAGER
INTERNAL AUDIT
FINANCIAL AND ADMINISTRATIVE SERVICES
PERSONNEL AND LABOUR RELATIONS SERVICES
TECHNICAL SERVICES
HOUSING OPERATIONS
SOCIAL HOUSING

Auditors' Report

To the Chairman
British Columbia Housing Management Commission

We have examined the combined balance sheet of the Province of British Columbia, Projects and Programs Managed by British Columbia Housing Management Commission, as at December 31, 1986 and the combined statements of revenue and expenditure and Province's account and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the combined financial position of the projects and programs as at December 31, 1986 and the combined results of their operations and changes in their financial position for the year then ended in accordance with the accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Vancouver, Canada
May 6, 1987

December 31, 1986 and 1985

	1986	1985
ASSETS:		
Accounts receivable	$ 487,354	$ 335,672
Prepaid expenses and shelter supplement	984,404	946,780
Due from Province of British Columbia	3,050,700	2,108,000
Due from Canada Mortgage and Housing Corporation	6,862,427	4,791,292
Disaster loss fund *(note 3)*	732,537	671,387
Fixed assets	110,276	187,806
	$12,227,698	$9,040,937
LIABILITIES AND PROVINCE'S ACCOUNT:		
Bank indebtedness	$ 2,675,870	$2,668,976
Accounts payable	5,560,717	3,450,449
Tenants' prepaid rent	327,261	214,429
Amortization payable	150,357	—
Disaster loss reserve *(note 3)*	732,537	671,387
	9,446,742	7,005,241
Province's account	2,780,956	2,035,696
	$12,227,698	$9,040,937

On behalf of the Commission:

Mary L. Egan
Chairman

D R M McDougall
Member

See accompanying notes.

COMBINED STATEMENT OF REVENUE AND EXPENDITURE AND PROVINCE'S ACCOUNT

ears Ended December 31, 1986 and 1985

	1986	1985
Revenue:		
Tenant rent	**$20,692,823**	$19,539,773
Sundry	**351,718**	286,115
	21,044,541	19,825,888
Expenditure:		
Amortization	**14,318,670**	14,318,670
Operating	**11,547,515**	11,208,726
Shelter supplement	**5,965,560**	6,814,621
Maintenance	**4,420,694**	3,957,705
Grants in lieu of taxes *(note 4)*	**3,605,457**	3,301,307
Administration	**3,610,101**	3,302,669
Modernization and improvement	**9,902,906**	7,107,024
Provincial programs	**1,941,730**	1,454,816
Working capital interest *(note 2)*	**699,171**	722,574
	56,011,804	52,188,112
Program deficit	**34,967,263**	32,362,224
Interest income, net	**572,503**	667,786
Excess of expenditure over revenue for the year	**34,394,760**	31,694,438
Less Canada Mortgage and Housing Corporation subsidy share	**20,351,800**	19,102,396
Net Provincial share of expenditures	**14,042,960**	12,592,042
Subsidy receipts	**14,788,220**	13,100,120
	745,260	508,078
Province's account, beginning of year	**2,035,696**	1,527,618
Province's account, end of year	**$ 2,780,956**	$ 2,035,696

See accompanying notes.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

ears Ended December 31, 1986 and 1985

	1986	1985
Operating activities:		
Excess of expenditure over revenue for year	**$34,394,760**	$31,694,438
Add (deduct):		
Items not affecting working capital:		
Amortization credited to Canada Mortgage and Housing Corporation	**(5,772,511)**	(5,772,511)
Depreciation expense	**(77,530)**	(73,264)
Retirement of fixed assets	**–**	(12,803)
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	**151,682**	(114,436)
Prepaid expenses and shelter supplement	**37,624**	(197,166)
Accounts payable	**(2,110,268)**	(249,719)
Tenants' prepaid rent	**(112,832)**	(2,213)
Amortization payable	**(150,357)**	320,277
Due from Province of British Columbia	**942,700**	580,200
Cash applied to operations	**27,303,268**	26,172,803
Financing activities:		
Subsidy receipts:		
Province of British Columbia	**14,788,220**	13,100,120
Canada Mortgage and Housing Corporation	**12,508,154**	12,103,823
Cash provided by financing activities	**27,296,374**	25,203,943
Decrease in cash during the year	**(6,894)**	(968,860)
Bank indebtedness, beginning of year	**(2,668,976)**	(1,700,116)
Bank indebtedness, end of year	**$(2,675,870)**	$(2,668,976)

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of financial statement presentation*

These statements combine six separate financial statements of projects and programs operated by the Province of British Columbia (Ministry of Social Services and Housing), and each has its own subsidy sharing agreement and is managed by British Columbia Housing Management Commission (the Commission).

The statements are prepared on the basis of accounting policies followed by similar entities in the Province of British Columbia.

b) *Amortization*

These statements do not include the capital cost of the projects, however, amortization in lieu of depreciation and interest on capital costs is in part payable to the Provincial Rental Housing Corporation and in part credited to Canada Mortgage and Housing Corporation based on schedules provided by the participants.

c) *Tenant rent revenue*

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of the residents' income.

d) *Fixed assets*

All purchases are recorded as program operating expenditures, except for computer hardware and software which are recorded at cost as fixed assets and depreciated on the straight line basis over five and three years respectively.

2. WORKING CAPITAL INTEREST

The Province of British Columbia, through its Wholly Provincial Projects and Programs account, provides working capital to the projects and programs managed by the Commission, at interest rates agreed to by the participants.

3. DISASTER LOSS FUND

This fund, financed by the Province of British Columbia and Canada Mortgage and Housing Corporation, provides for claims below the deductible amounts of insured properties and for damages to uninsured items.

4. GRANTS IN LIEU OF TAXES

The Commission, on behalf of the Province of British Columbia and Canada Mortgage and Housing Corporation, pays each municipality a grant equivalent to property taxes due for all residential properties and projects managed.

5. LEASE COMMITMENTS

The Commission has minimum rental obligations under operating leases for office space to be expensed over the next five years as follows: $449,000 in 1987, $450,000 in 1988, $446,000 in 1989, $389,000 in 1990, and $339,000 in 1991.

SCHEDULE OF NET PROGRAM COSTS

	1986	1985
Property Management Portfolio:		
Section 40 NHA–Regular	**$15,101,087**	$14,718,004
–City of Vancouver	**861,908**	856,190
Section 44 NHA–Regular	**9,315,559**	7,378,915
Wholly Provincial Projects and Land Parcels	**(471,567)**	(533,709)
	24,806,987	22,419,400
Non-Profit and Private Sector Rental Assistance Programs:		
Section 44 (1) (a) NHA		
Private	**1,944,042**	2,220,115
Disabled	**1,648,325**	1,563,398
City of Vancouver Residences	**327,783**	280,065
Section 44 (1) (b) NHA		
Senior Citizens	**3,012,229**	3,677,243
High Impact Grants	**39,584**	79,401
Section 56.1 NHA		
Social Housing Program (1986)	**674,080**	—
	7,646,043	7,820,222
Other Provincial Programs:		
Consulting Services to Non-Profit Societies	**12,330**	17,391
Rural and Remote Mortgage Program	**966,127**	990,121
GVRD and Co-op Mortgage Programs	**30,713**	28,442
Provincial Rental Assistance Program	**932,560**	418,862
	1,941,730	1,454,816
Excess of expenditure over revenue for the year	**34,394,760**	31,694,438
Subsidy sharing:		
Province of British Columbia	**14,042,960**	12,592,042
Canada Mortage and Housing Corporation	**20,351,800**	19,102,396
	$34,394,760	$31,694,438

Note: This schedule is not covered by the Auditors' Report.

OFFICE ADDRESSES

Home Office

Suite 1701
4330 Kingsway
Burnaby, B.C. V5H 4G7
Telephone: 433-1711

Regional Offices

Greater Vancouver Burrard
Suite 203, 1661 W. 8th Avenue
Vancouver, B.C. V6J 1V1
Telephone: 732-8844

Greater Vancouver Central
135 E. 8th Avenue
Vancouver, B.C. V5T 1R8
Telephone: 872-6611

Greater Vancouver Fraser
Suite 200, 10252–135th Street
Surrey, B.C. V3T 4C2
Telephone: 585-2321

Southern Region
290 Nanaimo Avenue
Penticton, B.C.
V2A 1N5
Telephone: 493-0301

Northern Region
Suite 305, Scotia Bank Building
1488–4th Avenue
Prince George, B.C. V2L 4Y2
Telephone: 562-9251

Vancouver Island Region
204–3440 Douglas Street
Victoria, B.C. V8Z 3L5
Telephone: 382-6127